

85 7th Place East, Suite 500, St. Paul, MN 55101-2198 main: 651.296.4026 tty: 651.296.2860 fax: 651.297.7891

www.commerce.state.mn.us

July 16, 2010

Dear Landowner,

You are receiving this letter because your property may be directly or indirectly affected by route alternatives for the proposed Fargo to St. Cloud 345 kilovolt (kV) transmission line project. The route alternatives are being evaluated in an environmental impact statement (EIS) that is being prepared by the Minnesota Office of Energy Security (OES).

This letter provides you with information on the transmission line project, the route permitting process and future opportunities to participate in the process. We encourage you to familiarize yourself with the proposed project, sign up for the project mailing list and participate in the route permitting process.

Project

Xcel Energy and Great River Energy have filed for a route permit to construct a new 345 kV high voltage transmission line between the Red River, either at a location south of Moorhead or south of Breckenridge, through the existing Alexandria Switching Station located south of Alexandria to the new Quarry Substation located west of St. Cloud. The Minnesota portion of the proposed Fargo to St. Cloud 345 kV Transmission Project will be approximately 169-180 miles long, depending on the final route chosen. Landowners along those routes were notified at the time of application.

Process

Xcel Energy and Great River Energy filed a route permit application on October 1, 2009, under the full permitting process of the Power Plant Siting Act (Minnesota Statute 216E). The application was accepted as complete by the Commission on November 13, 2009. Under the full permitting process the Commission has one year from the date the application was accepted as complete to make a decision on the route permit, however the Applicants have agreed to a limited extension of that timeline.

The route permit application is subject to environmental review in accordance with Minn. Rules 7850.1700 to 7850.2700. The first step in this process was developing the scope of the EIS for the project. The scoping process, which has already been completed, had two primary purposes: (1) to identify issues that are important to people and communities along the proposed routes for study in the EIS and (2) to solicit suggestions for route alternatives beyond those proposed by the applicants, to study in the EIS.

The OES held twelve public meetings in six sites along the proposed routes between January 19 and January 28, 2010, to gather public input on the proposed project and routes. At these meetings, the public had the opportunity to propose route alternatives for consideration in the EIS. Comments were also accepted through letters and emails through February 12, 2010. A number of these route segments have been included in the scope. Also, an advisory task force comprising local government officials met over the course of the scoping period. The group recommended alternative routes between Freeport and St. Joseph that also have been included in the scope of the EIS.

The OES Director has identified a number of additional route options to include in the EIS review. The new route alternatives are described in the July 15, 2010, EIS scoping decision amendment. Property records indicate you are located near or own property on one or more of these route alternatives. The amendment and maps are attached to this mailing. Maps of the applicants' proposed routes and alternatives are contained in the application viewable at http://energyfacilities.puc.state.mn.us/resource.html?Id=25358.

Participation

A draft EIS is currently being prepared by the OES; it will evaluate the potential environmental, economic, social, and human impacts for all of the route alternatives. The draft EIS is scheduled to be issued in August 2010. Once issued, OES staff will hold a public meeting to gather comments and questions on the draft EIS. Comments and responses will be incorporated into a final EIS.

In addition to these public meetings, there will be public hearings conducted along the proposed routes in the fall of 2010. These hearings will be conducted by an Administrative Law Judge (ALJ) from the Minnesota Office of Administrative Hearings. Anyone may speak at the public hearings, present evidence, ask questions of the applicants and OES staff, and submit comments on the proposed project. The ALJ will make a recommendation on a route permit to the Commission. A decision on the route permit by the Commission is expected in early 2011.

Information about this project and the route permitting process is available on our website at http://www.energyfacilities.puc.state.mn.us/Docket.html?Id=25053, and on the eDockets website at https://www.edockets.state.mn.us/EFiling/search.jsp (enter the docket year "09" and number "1056").

Notice of public meetings and public hearings will be published in local newspapers and mailed to persons who register their names on the OES project mailing list. To add your name to the mailing list for this project, contact the project manager or public advisor, or register at: http://www.energyfacilities.puc.state.mn.us/#MailingLists.

If you have questions or if you would like further information, please contact:

David Birkholz, Project Manager (651) 296-2878 david.birkholz@state.mn.us

Raymond Kirsch, Public Advisor (651) 296-7588 raymond.kirsch@state.mn.us

cc: Affected Local Government Units